

U.S. House and Senate Notification
Tuesday, April 6, 2010

To: Congressional Health Staff

From: Amy Hall
Director, Office of Legislation
Centers for Medicare & Medicaid Services

Re: CMS Issues Final Medicare Part C and D Policy and Technical
Changes Regulation (CMS-4085-F)

Today, the Centers for Medicare & Medicaid Services (CMS) released a final rule entitled “Policy and Technical Changes to the Medicare Advantage (MA) and the Medicare Prescription Drug Benefit Programs (Part D).” Under the October 2009 proposed rule, CMS identified a number of regulatory revisions and new proposals based on CMS’ experience overseeing the MA and Part D programs. These proposed changes will help plans understand and comply with CMS policies and will facilitate more efficient program management, enhance beneficiary satisfaction, and provide greater consumer protection.

The final rule includes a provision that will eliminate virtually identical drug and health plans bids from the same organization in the same area. This will help beneficiaries more easily distinguish plan choices with regard to premiums, cost sharing, and formulary offerings. This rule is consistent with cost-sharing protections required by the Patient Protection and Affordable Care Act (PPACA) by limiting cost sharing for three services to no higher than the fee-for-service cost sharing amount. The rule establishes a limit on out-of-pocket cost sharing for MA plan enrollees. The rule also includes provisions that will help strengthen CMS’ oversight of MA and Part D plans.

The final rule will become effective 60 days after the date of publication in the Federal Register on June 7th. However, because health and drug plans under the Part C and D programs operate under contracts with CMS that are effective on a calendar year basis, the provisions will be in effect January 1, 2011, except where otherwise noted.

A press release on the final rule is available on the CMS Web site at:
http://www.cms.hhs.gov/apps/media/press_releases.asp

A fact sheet on the final regulation is available on the CMS Web site at:
http://www.cms.hhs.gov/apps/media/fact_sheets.asp

The Federal Register display version of the final rule is available at:
<http://www.federalregister.gov/inspection.aspx>

Once the regulation is published on April 15, 2010, it may be viewed at:
<http://www.access.gpo.gov> (Click on the date of publication and search below the “Centers for Medicare & Medicaid Services.”)

If you have any additional questions, please contact the CMS Office of Legislation. Thank you.